



Department of Justice

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Former Alabama Governor Don Siegelman, Former HealthSouth CEO Richard Scrushy Convicted of Bribery, Conspiracy and Fraud

WASHINGTON – A jury in Montgomery, Ala. convicted former Alabama Governor Don Eugene Siegelman and former HealthSouth Chief Executive Officer Richard Scrushy of conspiracy, bribery and fraud, Assistant Attorney General Alice S. Fisher for the Criminal Division and Acting U.S. Attorney Louis V. Franklin, Sr. of the Middle District of Alabama announced today.

Siegelman, 60, was convicted on seven of the 33 counts against him: one count of bribery, one count of conspiracy to commit honest services mail fraud, four counts of honest services mail fraud and one count of obstruction of justice. Siegelman was acquitted on charges of racketeering, honest services wire fraud, extortion, obstruction of justice, and 16 counts of honest services mail fraud. Scrushy, 53, was convicted on all of the six counts with which he was charged: one count of bribery, one count of conspiracy to commit honest services mail fraud, and four counts of honest services mail fraud. Siegelman's former Chief of Staff Paul Hamrick and his former Highway Director Gary "Mac" Roberts were acquitted on all charges.

Maximum penalties for the charges are as follows: conspiracy to commit honest services mail fraud, 5 years in prison; bribery, 10 years in prison and a \$250,000 fine; honest services mail fraud, 20 years in prison and a \$250,000 fine; obstruction of justice, 10 years in prison.

"With today's verdict, this jury sends the message that Americans will not tolerate the bribery of our public officials. Bribery of this sort—between a sitting governor and a corporate chief executive officer—has a devastating impact on public confidence in our government," said Assistant Attorney General Fisher. "The Justice Department will continue to aggressively investigate and prosecute corrupt public officials and those who conspire to corrupt them."

Siegelman was convicted of mail fraud arising from a pay-for-play scheme in which he exchanged official acts and influence for cash, property, and services from Alabama businessman and consultant Clayton "Lanny" Young. The jury found that Siegelman took thousands of dollars in bribes from Young to aid Young's business interests, including the awarding of contracts to companies controlled by Young. The jury also found Siegelman and Scrushy guilty of crimes arising from a bribery scheme in which Scrushy paid Siegelman \$500,000 in laundered funds to obtain a seat on a state regulatory board governing HealthSouth.

"We know the jury worked hard to decide this case and we are pleased with their verdict," said Acting U.S. Attorney Franklin. "Their verdict today sends a clear message that the integrity of Alabama's government is not for sale."

The case was prosecuted by Acting U.S. Attorney for the Middle District of Alabama Louis V. Franklin, Sr., and Assistant U.S. Attorneys Stephen P. Feaga and J.B. Perrine, Middle District of Alabama; Trial Attorney Richard Pilger of the Public Integrity Section of the Criminal Division; and Assistant Attorneys General Joseph Fitzpatrick and Jenny Garrett for the State of Alabama.

The investigation was conducted jointly by the Federal Bureau of Investigation, agents from the Alabama Attorney General's Office, and the U.S. Department of Transportation's Office of Inspector General.

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